

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re: TV-32 DIGITAL VENTURES INC.

Case No. 09-58098 ASW

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: Apr-10

PETITION DATE: 09/23/09

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1

	End of Current Month	End of Prior Month	As of Petition Filing
2. Asset and Liability Structure			
a. Current Assets	\$29,485	\$420	
b. Total Assets	\$4,451,000	\$4,831,420	\$4,602,250
c. Current Liabilities	\$2,500	\$27,338	
d. Total Liabilities	\$3,667,305	\$3,692,443	\$3,788,226
			Cumulative (Case to Date)
3. Statement of Cash Receipts & Disbursements for Month	Current Month	Prior Month	
a. Total Receipts	\$14,898	\$7,867	\$46,222
b. Total Disbursements	\$2,555		\$10,654
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$12,343	\$7,867	\$35,568
d. Cash Balance Beginning of Month	\$1,823	\$420	\$0
e. Cash Balance End of Month (c + d)	\$14,166	\$8,287	\$35,568
	Current Month	Prior Month	Cumulative (Case to Date)
4. Profit/(Loss) from the Statement of Operations	\$0		
5. Account Receivables (Pre and Post Petition)		\$420	
6. Post-Petition Liabilities	\$2,500	\$27,338	
7. Past Due Post-Petition Account Payables (over 30 days)	\$0		

At the end of this reporting month:

- | | | |
|--|------------|----------------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | <u>Yes</u> | <u>No</u>
X |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | | X |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | | n/a |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | | X |
| 12. Is the estate insured for replacement cost of assets and for general liability? | X | |
| 13. Are a plan and disclosure statement on file? | X | |
| 14. Was there any post-petition borrowing during this reporting period? | | X |
15. Check if paid: Post-petition taxes ; U.S. Trustee Quarterly Fees X; Check if filing is current for: Post-petition tax reporting and tax returns: .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct

Date: 4/20/2010 0:00

/s/ Booker T. Wade
Responsible Individual

STATEMENT OF OPERATIONS
(General Business Case)

For the Month Ended 03/31/10

Current Month				Cumulative (Case to Date)	Next Month Forecast
Actual	Forecast	Variance			
		\$0	Revenues:		
		\$0	1 Gross Sales		
\$0	\$0	\$0	2 less: Sales Returns & Allowances		
\$0		\$0	3 Net Sales	\$0	\$0
\$0	\$0	\$0	4 less: Cost of Goods Sold (Schedule 'B')		
		\$0	5 Gross Profit	\$0	\$0
		\$0	6 Interest		
		\$0	7 Other Income: _____		
		\$0	8 _____		
		\$0	9 _____		
\$0	\$0	\$0	10 Total Revenues	\$0	\$0
		\$0	Expenses:		
		\$0	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries		
		\$0	13 Commissions		
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
		\$0	15 Personal Property		
		\$0	16 Real Property		
		\$0	17 Insurance		
		\$0	18 Management Fees		
		\$0	19 Depreciation		
		\$0	Taxes:		
		\$0	20 Employer Payroll Taxes		
		\$0	21 Real Property Taxes		
		\$0	22 Other Taxes		
		\$0	23 Other Selling		
		\$0	24 Other Administrative		
		\$0	25 Interest		
		\$0	26 Other Expenses: _____		
		\$0	27 _____		
		\$0	28 _____		
		\$0	29 _____		
		\$0	30 _____		
		\$0	31 _____		
		\$0	32 _____		
		\$0	33 _____		
		\$0	34 _____		
\$0	\$0	\$0	35 Total Expenses	\$0	\$0
\$0	\$0	\$0	36 Subtotal	\$0	\$0
		\$0	Reorganization Items:		
		\$0	37 Professional Fees		
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
		\$0	41 U.S. Trustee Quarterly Fees		
		\$0	42 _____		
\$0	\$0	\$0	43 Total Reorganization Items	\$0	\$0
\$0	\$0	\$0	44 Net Profit (Loss) Before Federal & State Taxes	\$0	\$0
		\$0	45 Federal & State Income Taxes		
\$0	\$0	\$0	46 Net Profit (Loss)	\$0	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 03/31/10

Assets

From Schedules

Market Value

Current Assets

1	Cash and cash equivalents - unrestricted		\$29,485
2	Cash and cash equivalents - restricted		
3	Accounts receivable (net)	A	
4	Inventory	B	\$0
5	Prepaid expenses		
6	Professional retainers		
7	Other: _____		
8	_____		
9	Total Current Assets		\$29,485

Property and Equipment (Market Value)

10	Real property	C	\$4,350,000
11	Machinery and equipment	D	\$100,000
12	Furniture and fixtures	D	\$1,000
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	
17	_____	D	
18	_____	D	
19	_____	D	
20	_____	D	
21	Total Property and Equipment		\$4,451,000

Other Assets

22	Loans to shareholders		
23	Loans to affiliates		
24	_____		
25	_____		
26	_____		
27	_____		
28	Total Other Assets		\$0
29	Total Assets		\$4,451,000

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules

Post-Petition

Current Liabilities

30	Salaries and wages		
31	Payroll taxes		
32	Real and personal property taxes		
33	Income taxes		
34	Sales taxes		
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$2,500
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other:		
42			
43			
44	Total Current Liabilities		\$2,500

Long-Term Post-Petition Debt, Net of Current Portion

45			
46	Total Post-Petition Liabilities		\$2,500

Pre-Petition Liabilities (allowed amount)

47	Secured claims	F	\$3,618,704
48	Priority unsecured claims	F	\$24,735
49	General unsecured claims	F	\$21,366
50	Total Pre-Petition Liabilities		\$3,664,805
51	Total Liabilities		\$3,667,305

Equity (Deficit)

52	Retained Earnings/(Deficit) at time of filing		
53	Capital Stock		
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		
56	Post-petition contributions/(distributions) or (draws)		
57			
58	Market value adjustment		
59	Total Equity (Deficit)		\$758,857
60	Total Liabilities and Equity (Deficit)		\$4,426,162

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A
Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days		\$2,500	
31-60 Days			
61-90 Days			\$0
91+ Days			
Total accounts receivable/payable		\$2,500	
Allowance for doubtful accounts			
Accounts receivable (net)			

Schedule B
Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)	Inventory(ies) Balance at End of Month	Cost of Goods Sold
		Inventory Beginning of Month
		Add -
Retail/Restaurants -		Net purchase
Product for resale		Direct labor
		Manufacturing overhead
Distribution -		Freight in
Products for resale		Other:
Manufacturer -		
Raw Materials		
Work-in-progress		Less -
Finished goods		Inventory End of Month
		Shrinkage
Other - Explain		Personal Use
		Cost of Goods Sold
TOTAL	\$0	\$0

Method of Inventory Control	Inventory Valuation Methods
Do you have a functioning perpetual inventory system?	Indicate by a checkmark method of inventory used.
Yes _____ No <u>x</u>	
How often do you take a complete physical inventory?	Valuation methods -
Weekly _____	FIFO cost _____
Monthly _____	LIFO cost _____
Quarterly _____	Lower of cost or market _____
Semi-annually _____	Retail method _____
Annually _____	Other _____
Date of last physical inventory was _____	Explain _____
Date of next physical inventory is _____	

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
Office building - 1010 Corporation Way, Palo Alto	\$3,750,000	\$4,350,000
Total	\$3,750,000	\$4,350,000

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
Broadcast equipment	\$325,000	\$100,000
Total	\$325,000	\$100,000

Furniture & Fixtures -		
Desks, computer, printer	\$3,500	\$1,000
Total	\$3,500	\$1,000

Office Equipment -		
Total	\$0	\$0

Leasehold Improvements -		
Total	\$0	\$0

Vehicles -		
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding	\$0	\$0	\$0	\$0	\$0
FICA - Employee	\$0	\$0	\$0	\$0	\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property				\$24,670	\$24,670
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$24,670	\$24,670
Total Taxes	\$0	\$0	\$0	\$24,670	\$24,670

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)	\$3,618,704	\$3,618,704
Priority claims other than taxes	\$65	\$65
Priority tax claims	\$24,670	\$24,670
General unsecured claims	\$21,366	\$21,366

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Union Bank			
Account Type	Checking			
Account No.	647004010			
Account Purpose	Operating			
Balance, End of Month	\$26,986			
Total Funds on Hand for all Accounts	<u>\$26,986</u>			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**Increase/(Decrease) in Cash and Cash Equivalents****For the Month Ended** 03/31/10

		<u>Actual Current Month</u>	<u>Cumulative (Case to Date)</u>
Cash Receipts			
1	Rent/Leases Collected	\$14,898	\$46,222
2	Cash Received from Sales		
3	Interest Received		
4	Borrowings		
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7			
8			
9			
10			
11			
12	Total Cash Receipts	\$14,898	\$46,222
Cash Disbursements			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures		
17	Principal Payments on Debt		
18	Interest Paid		
	Rent/Lease:		
19	Personal Property		
20	Real Property		
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)		
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes		
30	Real Property Taxes		
31	Other Taxes		
32	Other Cash Outflows:		
33	Insurance - Unigard	\$926	\$2,287
34	U.S. Trustee	\$325	\$325
35	HVAC Repairs	\$904	\$4,887
36	Cleaning/Supplies	\$400	\$600
37			
38	Total Cash Disbursements:	\$2,555	\$10,654
39	Net Increase (Decrease) in Cash	\$12,343	\$35,568
40	Cash Balance, Beginning of Period		
41	Cash Balance, End of Period	\$12,343	\$35,568

STATEMENT OF CASH FLOWS
(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 03/31/10

		Actual Current Month	Cumulative (Case to Date)
Cash Flows From Operating Activities			
1	Cash Received from Sales		
2	Rent/Leases Collected	\$14,898	\$46,332
3	Interest Received		
4	Cash Paid to Suppliers		
5	Cash Paid for Selling Expenses		
6	Cash Paid for Administrative Expenses		
	Cash Paid for Rents/Leases:		
7	Personal Property		
8	Real Property		
9	Cash Paid for Interest		
10	Cash Paid for Net Payroll and Benefits		
	Cash Paid to Owner(s)/Officer(s)		
11	Salaries		
12	Draws		
13	Commissions/Royalties		
14	Expense Reimbursements		
15	Other		
	Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16	Employer Payroll Tax		
17	Employee Withholdings		
18	Real Property Taxes		
19	Other Taxes		
20	Cash Paid for General Expenses		
21	Bank fees	\$15	\$43
22	Cleaning	\$400	\$400
23	Insurance	\$962	\$962
24	Security	\$749	\$749
25	HAVAC	\$904	\$904
26			
27	Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$12,678	\$31,462
Cash Flows From Reorganization Items			
28	Interest Received on Cash Accumulated Due to Chp 11 Case		
29	Professional Fees Paid for Services in Connection with Chp 11 Case		
30	U.S. Trustee Quarterly Fees	\$325	\$325
31			
32	Net Cash Provided (Used) by Reorganization Items		(\$325)
33	Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$12,678	\$25,799
Cash Flows From Investing Activities			
34	Capital Expenditures		
35	Proceeds from Sales of Capital Goods due to Chp 11 Case		
36			
37	Net Cash Provided (Used) by Investing Activities	\$0	\$0
Cash Flows From Financing Activities			
38	Net Borrowings (Except Insiders)		
39	Net Borrowings from Shareholders, Partners, or Other Insiders		
40	Capital Contributions		
41	Principal Payments		
42			
43	Net Cash Provided (Used) by Financing Activities	\$0	\$0
44	Net Increase (Decrease) in Cash and Cash Equivalents	\$12,678	\$25,799
45	Cash and Cash Equivalents at Beginning of Month		
46	Cash and Cash Equivalents at End of Month	\$12,678	\$25,799